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OFFICE OF THE
EXECUTIVE SECRETARY
Writers Direct Dial:
615-687-4230

May 17, 2002

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

VIA HAND DELIVERY

Re: *In the Matter of Notice of Rulemaking Amendments of Regulations for Telephone
Service Providers,
Docket No. 00-00873*

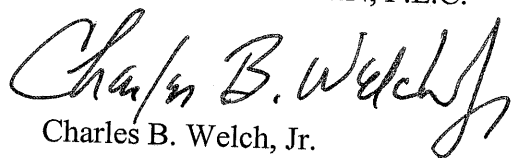
Dear Mr. Waddell:

Enclosed please find the original and thirteen (13) copies of the Comments filed on behalf of Time Warner Telecom of the Mid-South, L.P. in the referenced docket. We have provided copies to all parties of record.

If you have any questions, please contact the undersigned. I remain,

Very truly yours,

FARRIS, MATHEWS, BRANAN,
BOBANGO & HELLEN, P.L.C.


Charles B. Welch, Jr.

CBW:lw

Enclosures

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
IN NASHVILLE**

IN RE:

**IN THE MATTER OF NOTICE OF
RULEMAKING AMENDMENTS OF
REGULATIONS FOR TELEPHONE
SERVICE PROVIDERS,**

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)
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) **Docket No. 00-00873**
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**COMMENTS FILED ON BEHALF OF TIME WARNER TELECOM
OF THE MID-SOUTH, L.P. PURSUANT TO NOTICE DATED MAY 9, 2002**

Time Warner Telecom of the Mid-South, L.P. ("Time Warner") submits these comments through its counsel, pursuant to notice issued by the Tennessee Regulatory Authority ("Authority"), dated May 9, 2002.

A fundamental objective of state and federal telecommunications legislation is to promote competition in the local exchange telecommunications markets. The regulatory process at the state and federal levels has been time consuming and extremely complicated. Development of a competitive market has been difficult and many of the prospective carriers have failed to stay the course for lack of sufficient capital in an industry which requires astronomically large investments for construction and operations. Regulatory compliance represents a significant expense to telecommunications service providers. The Authority should adopt rules only in those instances where rules are necessary. Otherwise, unnecessary expenses are imposed upon companies already experiencing serious financial difficulties.

Time Warner submits that the rules proposed in this docket are unnecessary as they apply to business customers for two reasons. First, although a competitive market has not yet been achieved, the only competition which has been developed to date has been in the business customer market. The vast majority of business customers purchase telecommunications services from a local

exchange carrier pursuant to the terms of a negotiated contract. Generally, the customer engages an expert or hires an employee knowledgeable of the telecommunications industry to assist in negotiating these contracts. The negotiated service contract process has been extensively utilized by both CLECs and ILECs. Any rule which impacts the contract negotiation process will interfere with the development of a competitive market and potentially disadvantage the telecommunications provider in dealing with the unregulated business.

Secondly, the proposed rules are not appropriate in the business customer market place. For example, it is not unusual for business customers to purchase services in an amount in excess of several thousand dollars per month. Rule 1220-4-2-.04(1)(c) requires the provider to pay a \$5 penalty, not to exceed \$50, for service interruptions. Obviously, this provision has no meaningful significance to a customer that relies upon complex telecommunication services to generate business revenue. Further, it would appear that this rule is an attempt to impose liquidated damages for service outages which have no reasonable relation to anticipated damages. In addition, there appears to be no statutory basis to create jurisdiction for the Authority to order penalty payments from a telecommunication provider to a unregulated third party.

Another example of the inappropriateness of the rules as they are proposed to apply to business customers is Rule 1220-4-2-.14(1) which requires providers to accept payment for services via credit card. This rule arbitrarily requires the provider to absorb 2% to 5% additional costs in payments to the credit card company. The credit card mode of payment is not customarily available between business entities conducting large transactions. In a competitive market place, the seller elects as to whether to provide a credit card payment option.

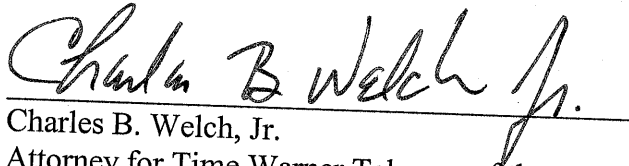
Currently, Time Warner does not provide residential service in Tennessee. It does not have any plans to qualify as an Eligible Telecommunications Carrier ("ETC") and has therefore, restricted

its comments in this proceeding to the application of the rules to business customers. Time Warner does suggest, however, that the rules applicable to ETCs are unduly burdensome and that it would be discouraged from making any attempt to qualify as an ETC in the future, if the proposed rules become effective.

In conclusion, Time Warner respectfully requests that the Authority reject the proposed rules in their entirety. In the event the Authority finds the rules are necessary, Time Warner supports the revised, red-lined version of the rules filed by BellSouth Telecommunications, Inc.

Respectfully submitted,

FARRIS MATHEWS BRANAN
BOBANGO & HELLEN, PLC

A handwritten signature in cursive script, reading "Charles B. Welch, Jr.", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following parties by placing same in U.S. Mail, postage prepaid, this the 17th day of May, 2002.

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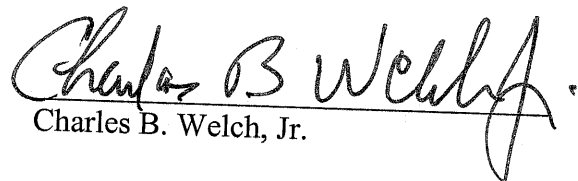
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